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INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE

C O N F I D E N T I A L ABU DHABI 000611

SIPDIS

FOR NEA/ARP AND EEB/TPP/IPE
STATE PLEASE PASS USTR (BUNTIN, JCHOE-GROVES)

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SUBJECT: UAE-SAUDI BORDER CONGESTION EASES

CLASSIFIED BY AMBASSADOR RICHARD G. OLSON FOR REASONS 1.4 B AND D

11. (C) Summary and Comment. Following a June 15 meeting between UAE and Saudi customs officials, more than a thousand trucks backed up on the UAE side of the border for days entered Saudi Arabia. UAE customs officials report the problem was technical, related to a new Saudi fingerprinting system. There is no indication delays were politically motivated, e.g., related to the UAE's decision to withdraw from the GCC Monetary Union. End Summary and Comment.

12. (SBU) New customs procedures in Saudi Arabia in the past two weeks created a "humanitarian crisis" as thousands of truck drivers waited on the UAE side of the border in temperatures approaching 110 degrees. The UAE Red Crescent Authority provided food, water and medical care to drivers, several of whom were suffering from heat stroke, according to local hospital officials. UAE Federal Customs Authority (FCA) Director General Mohammed Al Mehairi told EconOff on June 14 that it was taking trucks 240 hours to cross into Saudi Arabia and 20,000 people were stranded. Al Mehairi said Saudi importers and UAE exporters were complaining about the delays, particularly the condition of perishable goods. On June 15, Al Mehairi led a delegation of UAE federal and local (Abu Dhabi, Dubai and Sharjah) customs officials to Riyadh to resolve the issue.

13. (C) Al Mehairi told EconOff on June 16 that his meeting with Saudi counterpart Saleh Al Khalyawi was very open and successful. Al Mehairi said the Saudis are concerned about illicit trade in drugs, alcohol, weapons (particularly on the Yemeni border), and counterfeit goods across all their borders. In an effort to improve security, Saudi customs officials rolled out a new computer system on the border, including fingerprinting drivers. The system was first implemented at the UAE crossing at Al Ghuwaifat, although Saudi officials did not inform the UAE. Al Mehairi said his visit, combined with other "pressure" (likely political and commercial), drove the Saudis to increase staff capacity at the border. Almost 1500 vehicles reportedly crossed into Saudi Arabia that afternoon. Al Mehairi was confident the problem was resolved, noting the importance of facilitating trade. (Note: UAE-Saudi two-way trade exceeded USD 5 billion in 2007, the latest available UAE statistics, making Saudi Arabia the UAE's seventh largest trading partner. End Note.)

14. (SBU) On a separate but related issue, Al Mehairi told EconOff that he urged Dubai, Sharjah and Abu Dhabi customs officials (who accompanied him to Riyadh) to note Saudi concerns about counterfeit goods and step up IPR enforcement at the emirate-level. (Note: The FCA is a policy body that does not have enforcement authority in individual emirates. End Note.)

OLSON